

Flash Note

Wednesday, October 23, 2024

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Fertilizer

Fauji Fertilizer Bin Qasim Limited (FFBL)

Earnings: Fauji Fertilizer Bin Qasim Limited (FFBL) announced its 3QCY24 result. The Company reported 3QCY24 unconsolidated earnings of PKR 8.01bn (EPS PKR 6.20), compared to a profit of PKR 5.30bn (EPS PKR 4.11) in the similar period last year posting a growth of 51%y/y/28%q/q. This brings total 9MCY24 profitability to PKR 18.6bn (EPS PKR 14.4), compared to earnings of PKR 0.4bn (EPS PKR 0.3) in the same period last year.

Dividend/Payout: The Company did not announce any dividend along with the result.

Operating Performance: During 3QCY24, FFBL's revenue declined by 18%y/y clocking in at PKR 57.6bn as compared to PKR 70.1bn likely owing to a decline in offtakes. Gross margins clocked in at 25% vs 15% in the similar period last year likely due to higher retention prices. The Company posted other income of PKR 3.6bn, up by 27%y/y, likely driven by higher dividend income from its subsidiaries and associated companies coupled with interest income from short term investments. Finance cost decreased by 67%y/y to PKR 0.8bn during 3QCY24 which can be attributed to lower borrowings and interest rates. Effective tax rate stood at 36% during 3QCY24 (3QCY23: 26%) bringing total effective tax rate for 9MCY24 to 40% against 91% in 9MCY23.

Exhibit: Fauji Fertilizer Bin Qasim Limited (FFBL)					
in PKRbn					
Period end (DEC)	3Q'24	3Q'23	2Q'24	9M'24	9M'23
Net Sales	57.6	70.1	50.3	154.5	136.8
Cost of Sales	43.5	59.7	39.0	120.2	119.7
Gross Profit	14.1	10.4	11.3	34.3	17.1
Gross Profit margin	25%	15%	23%	22%	13%
Admin	0.3	0.4	0.4	1.1	1.0
Selling & Dist.	2.9	2.4	2.2	7.5	4.7
EBIT	13.6	10.0	12.4	35.2	12.6
EBIT margin	24%	14%	25%	23%	9%
Finance Cost	0.8	2.4	1.1	2.9	7.7
Profit before tax	12.4	7.2	10.5	31.1	4.1
Tax	4.4	1.9	4.2	12.5	3.7
Effective tax rate	36%	26%	40%	40%	91%
Profit after tax	8.0	5.3	6.3	18.6	0.4
Net Margins	14%	8%	12%	12%	0%
EPS	6.2	4.1	4.8	14.4	0.3
DPS	0.0	0.0	0.0	0.0	0.0

Source: Company Accounts, IGI Research No. of Shares: 1291.3mn.

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